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## **The New Economy's Most Critical Resource - People**

The dynamics of the global Human Capital Market [HCM] have forever changed. An 'economy of scale' has become an 'economy of skill'. The future promises great competition for qualified people. There is a growing need for E-Recruiting systems which leverage the new, new economy, the Internet, systems, applications, processes, partners, business standards and new staffing strategies.

Staffing managers and recruiters face many issues related to overcoming a growing shortage of IT talent. The shortage exists because work and the workplace are changing due to demographic / generation shifts. Over twenty-five (25) years, the rate of change in the growth rate of the labor force has declined from 2.7% per year to .6% per year, or about 500%.

Twenty years ago a job was for life. By the 90s, the typical IT job change rate became once every 2 – 3 years or ten (10) different jobs over a twenty (20) year career. We are beyond the point where the number of available jobs exceeds the number of qualified participants (candidates). Our current generation of workers view work differently. They want new arrangements such as having work brought to them (i.e. tele-computing) rather than commuting to the work.

The Loyalty Contract has been retired meaning that people now look at full time work the way contractors looked at assignments twenty (20) years ago. The earlier supply and demand equation for workers has shifted due to downsizing / right-sizing, mergers and acquisitions, Y2K, dot-coms and E-Business. A result of these transitions is that workers have claimed independence. They now base their career on a portfolio of skills and experience and have the goal of maximizing dollar earnings. In turn, companies are reducing indirect labor costs as workers fund their own benefits, training and career building.

Meanwhile, the exponential growth of the Internet and the convergence of E-Recruiting with 'brick and mortar' recruiting are also contributing to change in the HCM marketplace. All of these dynamics have led to hiring frustrations such as too few, or too many, candidates and slow hiring processes. Beyond technology, new strategies are needed for this environment.

These strategies range from outsourcing Managed Services, greater use of the Recruiting Industry, a long term HCM approach to staffing, re-thinking, re-tooling and changing our management behavior and aligning more closely with enterprise strategy and plans. The need is for an end-to-end, lifecycle view for finding, developing and retaining good people.

E-Recruiters are expected to capture 50% of the \$180B US Recruitment Industry. To do this, they are moving from weeding-out candidates to marketing-to and attracting candidates. Recruiting has changed from a 'purchasing event' to a 'marketing program'. Recruiters employ new E-Recruiting skills for developing the Candidate Pool and new E-Retention skills for the lifecycle. They are improving their ability to remotely coach candidates and to devise creative programs to develop existing talent and to retain high-caliber people.

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The new paradigm requires Workforce Planning and Lifecycle Recruiting. Workforce Planning begins with Strategic Requirements Development and building a Candidate Pool and progresses through Assimilation, Development and Retention of employees. The main view is that the 'candidate is the holder of value' and that the use of a Human Capital Development Method, is essential.

This method includes long range hiring plans, building the candidate pool, identifying job requirements for the future and for the near term, screening, assessment, interviewing, hiring, development and retention, in a continuous cycle. To be successful, this method needs to be complemented by a strong employment brand and an effective process for compressing recruiting cycle time. Strong leadership is needed to accomplish this. A new Chief Talent Officer position is predicted as being needed to get this job done.

In the new, new economy, the value stream includes a continuous flow of value to candidates. HCM will align with enterprise strategies and plans. HCM will be based on a Services Relationship Management (SRM) view. The key objective of this view is supply chain optimization of the Human Resources Services Supply Chain. The E-Hiring process will improve hiring by rapidly identifying abilities of candidates, matching those to position requirements, operating within the context of a long term and near term Staffing Plan, placing Internet jobs quickly and easily, receiving pertinent resumes online, and sustaining a comprehensive database of candidates and potential candidates.

Analysis of the Staffing Process may be organized by functions such as Finding Candidates, Assessing Candidates, Recruiting Candidates, Resume Processing, Candidate Interview Preparation, Interview and Post Interview Processing. Next, the steps for each function can be identified along with the corresponding actions for each step. This detail should reveal where changes in technology are needed to support your HCM strategies and help you in directing your investment in supporting future business needs.

Possible benefits are indicated by an IDC Corporation, vendor-funded study on automation of 8 IT services organizations. The ROI over 3 years was estimated at 1800%. The study factors were 'total cost of deployment', 'sum of projected savings', 'increased revenue' and a '12% cost of capital'. IDC determined the before and after, internal and external costs of selling, planning, administering and managing IT service delivery. Gains in productivity, efficiency and revenues were used to calculate the associated cost savings and revenue gains. These results were reported by senior managers of these 8 firms based on before and after views of operational, productivity and administrative savings and increased revenues.

In summation, the Recruiting Industry's response to the challenges of the new World of Work is to develop techniques for an E-Hiring Process which will improve the fit between Candidates and Requirements, smoothen and speed the Hiring Process, save money through efficiency and effectiveness and which anticipates future enterprise needs.